



2011 Annual Report

October 1, 2010 through September 30, 2011

MISSION

GET serves Washington families by offering a way to save for college tuition.

2011 Highlights*

135,020 Total number of GET accounts opened since the program began

5.8 million Total number of Custom Monthly units purchased

18.2 million Total number of Lump Sum units purchased

\$1.7 billion Total amount of contract-related payments received

23,348 Total number of student accounts that have been used to attend college

15,280 New accounts opened in the 2010-11 enrollment year

1.9 million New units purchased in the 2010-11 enrollment year

\$99,874 Operational cost savings by GET staff, earning State Teamwork Incentive Program (TIP) award

*As of September 30, 2011 unless otherwise noted.
The enrollment year dates were September 15, 2010 – March 31, 2011.



Message from the Director

Looking back, 2011 was a year of challenges. Continued economic uncertainty, on top of a volatile stock market, caused a significant decline in state resources available to higher education. In response, tuition rose dramatically, placing a greater share of the cost of college on the individual student and his or her family. While GET is self-sustaining and receives no ongoing state appropriations, it is guaranteed by the state. The impact of rapidly rising tuition raised some concern among legislators.



A resulting study of the GET fund, which was directed by our Legislature and conducted by the State Actuary, confirmed that the program is financially strong. As long as large tuition increases do not continue indefinitely, and GET units are appropriately priced, we will continue to help families save for college long into the future.

Looking ahead to next year, we see the opportunities that always inspire us: the chance to share what a difference saving for college can make, and how families are making it work. We know that saving for college and reducing future debt, especially in a safe and guaranteed way, is important to parents and grandparents everywhere. The lesson is to start early, save regularly, and don't forget to ask grandparents and others to help.

GET is one of the fastest growing prepaid tuition plans in the country, in terms of assets under management and in number of accounts opened. Our commitment is to keep GET financially strong and continue to provide future opportunities for students. Keeping college affordable for Washington families has never met a more challenging environment. For families, we know that planning ahead, and saving whatever you can on a regular basis, has never been more important.



Betty Lochner

Director, GET Program

National Vice Chair, College Savings Plan Network

New enrollment campaign

GET's new marketing campaign, launched September 2010, has focused on the urgency of saving for college. "Your children are growing fast. College tuition is growing faster." has appeared in new television commercials and radio ads, and has been the focus of new design for GET's print collateral. In the 2010-11 enrollment year, this campaign contributed to a near record number of new enrollments.

Marketing outlets this year included statewide radio, television, print and online advertising. Marketing initiatives also included direct mail to targeted groups and sponsorship of many outreach events statewide. A record number of articles and interviews about GET appeared in Washington media.



**Your children are growing fast.
College tuition is growing faster.**

Fortunately there's GET, Washington's
Guaranteed Education Tuition college savings program.

Washington's 529 Prepaid College Tuition Plan

- ▶ State guarantee
- ▶ Choice of colleges nationwide
- ▶ Flexible plans
- ▶ Tax-free savings and withdrawals

GET is guaranteed to keep up with the rising cost of tuition, and it can be used anywhere in the country. Learn the facts and enroll today at get.wa.gov. Because the sooner you enroll, the more you'll save.

Enroll November 1 – May 31
Year-round enrollment for newborns

GET
Guaranteed Education Tuition™
Key to tomorrow's college tuition today.

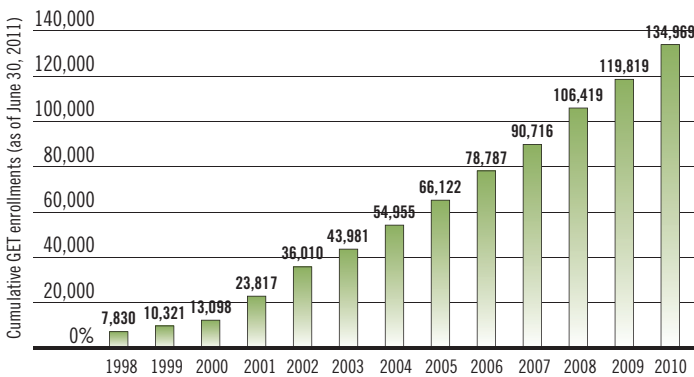
Washington State's
529 Prepaid College
Tuition Program

Get started today. Visit get.wa.gov or call 1.800.955.2318

Enrollment growth

The number of new accounts in the 2010-11 enrollment year (15,280) exceeded GET's program goal by 53%. In spite of a 16% increase in the unit price, from \$101 to \$117, the number of purchased units exceeded expectations by 27%. Washington's Guaranteed Education Tuition (GET) Program has grown steadily since it began in 1998.

Washington's GET Program has grown steadily since it began in 1998



The typical account owner is a parent (80%) though an increasing number of grandparents (11%) are opening accounts. Although 27% of accounts are opened for infants or preschoolers, the average student beneficiary at account opening is 7.3 years old.

GET's Web site, www.get.wa.gov, is the primary point of contact for both new and returning customers. In 2011, 89% of new customers enrolled online. The site had a 22% increase in traffic for the 2010-11 enrollment year, 52% of whom were new visitors. There was a 20% increase in unique visitors to the site, which averaged 1387 visits per day.

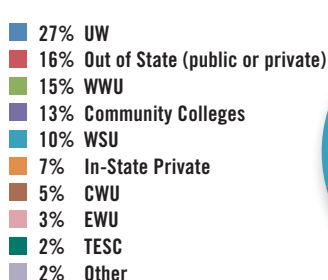
Contributions in units purchased

During the 2011 enrollment year, 1.9 million units were purchased, either in Lump Sum or through a Custom Monthly Plan. Between July 2010 and June 2011, GET initiated 587 incoming rollover transfers from other college savings plans, representing a 30% increase over the previous year. The average GET account currently holds less than 200 units. In 2011, the average number of units purchased per account (new or existing) was 124. Refunds were 1.72% compared to new revenue, and were predominantly due to personal financial hardship.

Distributions for student enrollment

There have been 23,348 GET accounts used for students attending colleges and universities in all 50 states and in five foreign

Distribution of GET students by school (2010-11 academic year)



countries. Since inception, \$282.6 million has been distributed on behalf of GET student beneficiaries, either directly to colleges and universities, or as reimbursements for qualified expenses.

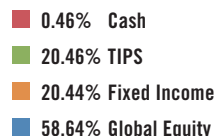
Asset management

Washington's GET trust fund is managed by the Washington State Investment Board (WSIB). Valued at over \$1.7 billion, the WSIB has invested all GET funds in a diversified portfolio of federal bonds (Treasury Inflation Protection Securities or TIPS) as well as US and international indexed equity funds. In 2011, a new fixed income category was added to the allocation.

The WSIB's current asset allocation model has approximately 20% in federal bonds (TIPS), 20% in fixed income corporate bonds, and 60% in a global equity fund which consists of both international and US equity indexed funds. For cash flow and expenses, a small amount is also kept in cash.

Portfolio size, allocation and performance as of September 30, 2011

Cash	\$7,904,307
Treasury Inflation Index Note (TIPS).....	\$349,584,103
Fixed Income.....	\$349,390,777
Global Equity.....	\$1,002,139,888
Total.....	\$1,709,019,076



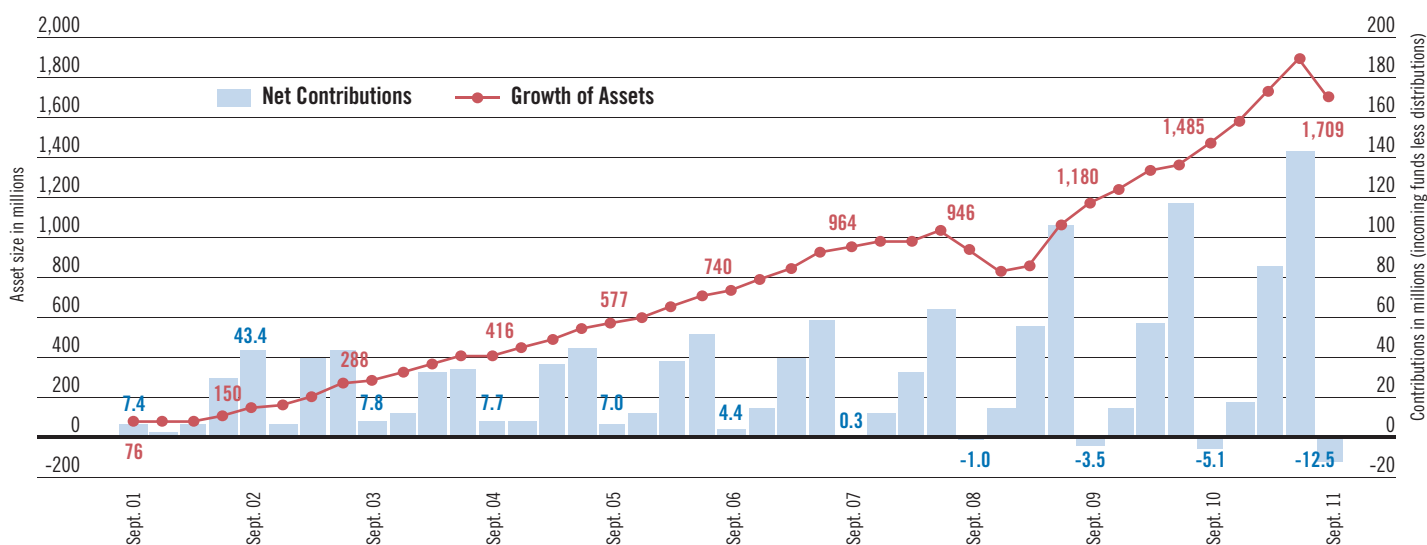
This strategy provides for the greatest amount of diversification at both low risk and low cost. Administrative costs are kept as low as possible and unit prices include an amount to maintain a reserve fund. Proposed tuition increases are monitored closely, as are events related to other plans across the country.

Quarterly reports for the GET trust fund may be viewed at <http://www.sib.wa.gov/financial/pdfs/getperformance.pdf>

Portfolio performance

Investment Returns	1 year	5 year	10 year
TIPS	9.77%	7.52%	7.27%
Fixed Income (new)	NA	NA	NA
Global Equity	-4.35%	-1.24%	4.54%
TOTAL	.58%	2.5%	6.12%

Assets under management



Unit price and payout value decisions

Setting a realistic, thoroughly researched unit price is key to maintaining the financial stability of the GET Program. The GET Committee sets the unit price annually, based on an actuarial formula that takes into account the expected cost of future tuition, the expected return on investments, inflation and administrative costs. It includes a reserve to adjust for periods of higher-than-expected tuition increases or lower-than-expected investment returns, plus the amortization of past losses. In 2011, a change in state tuition policy and resulting tuition increases led to a significant rise in the GET unit price. The current unit price is \$163/unit, adopted by the GET Committee in September 2011.

The payout value established for the 2011-12 academic year is \$102.23/unit. The payout value of each GET unit is always equal to 1/100th of the actual resident, undergraduate tuition and state-mandated fees at Washington's most expensive public university. The unit purchase price is higher than the current payout value because the state guarantees that GET accounts will always keep pace with tuition years into the future, regardless of the increase. Future tuition rates are projected to be significantly higher than current tuition rates.

Legislative action

In 2011 the Washington State Legislature passed ESSB 5749, which was signed by the Governor into law. The bill directed the GET Committee, with assistance from the State Actuary, to assess the current financial solvency of GET and determine if changes should be made for units purchased after September 1, 2011. The bill also established a Legislative Advisory Committee to advise the program.

A study by the State Actuary determined that the current GET program is financially self-sustainable as long as units are correctly priced. The unit price was increased to \$163 and the GET Committee changed the enrollment period to run from November 1, 2011 – May 31, 2012, with year-round enrollment still available for newborns. This change allows the enrollment year and unit price-setting dates to follow more closely the universities' actual tuition-setting schedules.

After two consecutive years of double-digit tuition increases and lower investment returns, a new tuition policy was also adopted in the Legislature through another bill, HB 1795. This legislation shifts tuition-setting authority from the state to the universities in the coming years.

Report to the Governor and Legislature

Legislation ESSB 5749 also requested a formal report to the Governor on GET's unit payout value, tuition unit price, enrollment period, and custom monthly contract. A report covering these elements was completed as directed on October 1, 2011 and submitted to the Legislature. A link to both the Executive Summary and the full report, including appendices, is available on the GET Web site at <http://www.get.wa.gov/chartsandtools.shtml>.

TIP award for cost efficiency

In June, the GET staff was recognized by the Washington State Productivity Board for saving \$99,874 in administrative costs through reductions in the use of paper and postage. The Teamwork Incentive Program (TIP) award from Secretary of State Sam Reed commended GET for employing new technology-based processes, and for moving decisively toward paperless customer communications.

In one year, GET eliminated the need for 190,450 pages of paper by making use of online alternatives. Most of the printed pages would have required staff assembly time and postage to deliver. GET also increased teleconferencing and reduced outsourcing in its administrative, marketing and outreach functions.

Paperless

Going "paperless" helps to keep GET administrative costs low. Currently 92% of GET customers are enrolled in paperless communications. Paperless options may be adjusted online by logging in to your account and selecting "Email Communications Center" or by calling Customer Service.



Key Deadlines

Next enrollment year's unit price may not be determined until mid-summer. We will alert Account Owners by email and post the new price on our Web site as soon as it is known, which will likely be after the June 30, 2012 unit purchase deadline. Please plan accordingly, and watch for the deadlines below.

Buying units

May 31 • Open a new account

Log in to your account, click on "Online Enrollment" and then "Open a New GET Account." Or download an enrollment form from our Web site. We will also mail one to you upon request. New accounts must be opened online or postmarked by midnight (PDT) on May 31.

Add a Custom Monthly Plan to your existing Lump Sum Plan

Download an Account Change Request form from our Web site, or give us a call for more details. New Custom Monthly Plans, even those for existing accounts, must be opened online or postmarked by midnight (PDT) on May 31.

June 30 • Buy more units before the price goes up

To add more Lump Sum units to any existing account, just make an electronic payment or mail us a check or money order with your payment coupon. To buy units at the current price of \$163, we must receive your payment by June 30. If we receive your payment after June 30, you'll pay the unit price in effect on July 1. The GET Office in Olympia will be open on Saturday, June 30 from 12 noon – 5 pm, only for receipt of payments.

Using units

Early 2012

If your student is expected to attend college in the 2012-13 academic year, we encourage you to complete the Free Application for Federal Student Aid (FAFSA) by early February in order to be eligible for the most aid.

August 1

Log in to your account and click on "Using Units" to let us know where your student will be attending school and to choose your payment option.

Please let us know right away if your address, telephone number, email address or other account-related information changes so we can contact you if necessary. As always, your account safety is a top priority and we never share your personal information.





Save for college with GET

www.get.wa.gov

Telephone: 1.800.955.2318 (toll-free) • Email: GETInfo@hecb.wa.gov

GET Committee

The Committee on Advanced Tuition Payment, commonly referred to as the GET Committee, governs the program. The GET Committee is responsible for setting policies and pricing and monitoring investments.

Don Bennett, Chairman, Executive Director, Higher Education Coordinating Board

James L. McIntire, State Treasurer

Marty Brown, Director, Office of Financial Management

Beth Stecher Berendt, Citizen Representative

Mooi Lien Wong, Citizen Representative

GET Leadership

The Washington Higher Education Coordinating Board administers the GET Program while the Washington State Investment Board oversees its investments.

Betty Lochner, Director

Larry Lee, Deputy Director

Jacquelyne Ferrado, Outreach Manager

Betsy Hagen, Administrative Manager

Diana Hurley, Customer Service Manager

Susan Martensen, Marketing/Communication Manager

Kim Porter, Records and Projects Manager

Legislative Advisory Committee

The Legislative Advisory Committee advises the GET Committee and the State Actuary regarding program administration, including pricing guidelines, the unit price and the payout value.

Senator Rodney Tom, Chairman

Representative Ed Orcutt, Vice Chairman

Representative Gary Alexander

Senator Lisa Brown

Representative Bob Hasegawa

Senator Mike Hewitt

Senator Andy Hill

Representative Chris Reykdal

Questions? Contact us.

Email: GETInfo@hecb.wa.gov • Web Site: www.get.wa.gov • Phone: 1.800.955.2318 (toll-free) or 360.753.7803 (Olympia)
Weekdays from 8 am to 5 pm, excluding state holidays

Mailing Addresses:

For enrollment forms and payments only • GET Program, PO Box 84824, Seattle, WA 98124-6124

For correspondence • GET Program, PO Box 43450, Olympia, WA 98504-3450

Office Location: In-person visits only

919 Lakeridge Way SW, Olympia, WA 98502 – no mail delivery at this address (FedEx/UPS accepted).

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**HIGHER
EDUCATION**
COORDINATING BOARD

 **GET**
Guaranteed Education Tuition™



Washington State's
529 Prepaid College
Tuition Program

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